



# Ground Rent

## [Capital Volume 3, Part 6](#), Transformation of Surplus-Profit into Ground-Rent

In the 11-chapter Part 6 of Capital Volume 3, Karl Marx relates capital (reproduction of surplus value) to the much older, pre-capitalist concept and practice of rent. He shows how rent became, and remains, part of the capitalistic system. Our chosen **Chapter 38** (download linked below) deals with the “surplus-profit” over and above the general rate of profit, that may arise from fortuitous factors like the possession of a waterfall; and the concept of differential rent as a means of taking account of such a variation from the norm.

But first, let us exploit the summarising paragraphs on rent,

given below in a shortened version, which Marx gives in the Introduction to this section. Note that, as Marx reminds us, these remarks bear upon the question of **mining** as much as they bear upon agriculture:

*“The analysis of landed property in its various historical forms is beyond the scope of this work. **We shall be concerned with it only in so far as a portion of the surplus-value produced by capital falls to the share of the landowner.** We assume, then, that agriculture is dominated by the capitalist mode of production just as manufacture is; in other words, that agriculture is carried on by capitalists who differ from other capitalists primarily in the manner in which their capital, and the wage-labour set in motion by this capital, are invested. So far as we are concerned, the farmer produces wheat, etc., in much the same way as the manufacturer produces yarn or machines. The assumption that the capitalist mode of production has encompassed agriculture implies that it rules over all spheres of production and bourgeois society, i.e., that its prerequisites, such as free competition among capitals, the possibility of transferring the latter from one production sphere to another, and a uniform level of the average profit, etc., are fully matured. The form of landed property which we shall consider here is a specifically historical one, a form transformed through the influence of capital and of the capitalist mode of production, either of feudal landownership, or of small-peasant agriculture as a means of livelihood, in which the possession of the land and the soil constitutes one of the prerequisites of production for the*

*direct producer, and in which his ownership of land appears as the most advantageous condition for the prosperity of his mode of production.*

*“Just as the capitalist mode of production in general is based on the expropriation of the conditions of labour from the labourers, so does it in agriculture presuppose the expropriation of the rural labourers from the land and their subordination to a capitalist, who carries on agriculture for the sake of profit...*

*“For our purposes it is necessary to study the modern form of landed property, because our task is to consider the specific conditions of production and circulation which arise from the investment of capital in agriculture. Without this, our analysis of capital would not be complete... **(Or, instead of agriculture, we can use mining because the laws are the same for both.)***

*“Landed property is based on the monopoly by certain persons over definite portions of the globe, as exclusive spheres of their private will to the exclusion of all others. With this in mind, the problem is to ascertain the economic value, that is, the realisation of this monopoly on the basis of capitalist production.*

*“With the legal power of these persons to use or misuse certain portions of the globe, nothing is decided. The use of this power depends wholly upon economic conditions, which are independent of their will. The legal view itself*

*only means that the landowner can do with the land what every owner of commodities can do with his commodities. And this view, this legal view of free private ownership of land, arises in the ancient world only with the dissolution of the organic order of society, and in the modern world only with the development of capitalist production...*

*“In the section (**in Volume 1**) dealing with primitive accumulation we saw that this mode of production presupposes, on the one hand, the separation of the direct producers from their position as mere accessories to the land (in the form of vassals, serfs, slaves, etc.), and, on the other hand, the expropriation of the mass of the people from the land.*

*“To this extent the monopoly of landed property is a historical premise, and continues to remain the basis of the capitalist mode of production, just as in all previous modes of production which are based on the exploitation of the masses in one form or another. But the form of landed property with which the incipient capitalist mode of production is confronted does not suit it. It first creates for itself the form required by subordinating agriculture to capital. It thus transforms feudal landed property, clan property, small peasant property in mark communes — no matter how divergent their juristic forms may be — into the economic form corresponding to the requirements of this mode of production.*

*“One of the major results of the capitalist mode of*

*production is that, on the one hand, it transforms agriculture from a mere empirical and mechanical self-perpetuating process employed by the least developed part of society into the conscious scientific application of agronomy, in so far as this is at all feasible under conditions of private property; that it divorces landed property from the relations of dominion and servitude, on the one hand, and, on the other, totally separates land as an instrument of production from landed property and landowner — for whom the land merely represents a certain money assessment which he collects by virtue of his monopoly from the industrial capitalist, the capitalist farmer; it dissolves the connection between landownership and the land so thoroughly that the landowner may spend his whole life in Constantinople, while his estates lie in Scotland. Landed property thus receives its purely economic form by discarding all its former political and social embellishments and associations, in brief all [its] traditional accessories...*

*“The rationalising of agriculture, on the one hand, which makes it for the first time capable of operating on a social scale, and the reduction ad absurdum of property in land, on the other, are the great achievements of the capitalist mode of production. Like all of its other historical advances, it also attained these **by first completely impoverishing the direct producers.**”*

Once again, Marx refers back to matters dealt with in Volume 1.

Among other things, Marx is here providing us with

explanations as to why the land question in South Africa is so intractable. Land is part of capitalism, and so are mines. There can be no going back, but only forward, because in its productive aspect land has never been more socialised. Only in its ownership can land become more socialised than it already is, and it can only be fully re-socialised by the complete abolition of capitalism.

As with banking, so also with landowning: Under capitalism the take is a portion of surplus-value. This part shows how such rent arises and how it is calculated for the various conditions, of which the first example given is as clear as any, and can serve as typical.

- The above is to introduce the original reading-text: [Capital Volume 3, Chapter 38, Differential Rent: General Remarks](#).
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